

## TTS BPA for Dev, Design, and Research - IID23190013

# Price Analysis

**Background:** As stated in Section 1.0 of the RFQ, pricing was evaluated in accordance with FAR 8.404(d) – Use of Federal Supply Schedules, Pricing states:

*“(DEVIATION) Supplies offered on the schedule are listed at fixed prices. Services offered on the schedule are priced either at hourly rates, or at a fixed price for performance of a specific task (e.g., installation, maintenance, and repair). GSA has determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, to be fair and reasonable for the purpose of establishing the schedule contract. GSA's determination does not relieve the ordering activity contracting officer from the responsibility of making a determination of fair and reasonable pricing for individual orders, BPAs, and orders under BPAs, **using the proposal analysis techniques at 15.404-1**. The complexity and circumstances of each acquisition should determine the level of detail of the analysis required.”*

**Competition:** The RFQ was posted to [eBuy](#) as a full and open competitive procurement, set-aside for small business against GSA schedules. The Solicitation was posted under GSA schedule number 70, Special Item Number(s) 132 51 Information Technology Professional Services & SIN 70-500 - Order Level Materials (OLM).

Therefore, vendors submitting a quote did so with the expectation of competing against other qualified schedule vendors. The Request for Quotation (RFQ) explicitly stated, “TTS anticipates selecting an awardee based upon initial quotes received; therefore, quoters are cautioned to submit their best price and technical quotes in the initial submission.”

Twenty-six (26) quotes were received, but only eleven (11) quotes made it to Phase 2. The RFQ clearly stated that Quotes that have failed to meet the criteria established in Phase 1 would no longer be considered for award. Vendors that passed Phase 2 with a rating of “Some Confidence” or “High Confidence” would be evaluated based on their

price submission. All vendors in Phase 2 received a “Some Confidence” or “High Confidence” rating and therefore their pricing was considered.

Therefore, competition was established.

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### **Analysis of Price Reasonableness on Competitive Quotations from Phase 2:**

The total evaluated price for each vendor consisted of the example pricing tab in Attachment B, for the base year and the four one-year option periods.

*Table 1 - Price Ranking*

(b) (3), (b) (4)	
6 Flexion GS-35F-523BA (b) (4)	High Confidence
(b) (3), (b) (4)	

There were five (5) vendors with prices lower than Flexion’s evaluated price. These vendors’ lower prices were considered in relation to this Award, however after evaluations were complete, the other five vendor’s with the lower prices, were not worth the trade-off between Flexion’s competitive pricing as well as its “High Confidence” Technical rating in Phase 1 and Phase 2 of the solicitation process discussed in the [Award Decision Document](#). GSA observed the full range of pricing competitively

submitted by vendors in order to get an idea of general market pricing for these types of services.

A few items should be noted as part of this analysis:

(1) The RFQ was issued under Federal Acquisition Regulation (FAR) 8.4 ordering procedures and evaluated using best value trade-offs between price and non-price factors.

(2) Considering the range of pricing submitted between the twenty-six (26) GSA schedule holders, Flexion was not the highest priced, and it also was amongst

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the highest rated vendors for non-price factors. GSA included some Labor Hours in the example pricing tab in Attachment B of the RFQ to allot for general estimating and fairly compare prices between vendors. This ensured all Quoters were evaluated using the same standard when it came to pricing. Vendors were allowed to insert a labor mix, categories, discounts, and rates.

\*Note: The Government observed pricing from all quoters as a whole ONLY to get an idea of general market pricing for these types of services and to ensure Flexion's pricing was not unreasonable, unbalanced, or unrealistic. However, initial observation demonstrates Flexion's prices are very competitive in terms of the general market for these types of services. In accordance with FAR 15.404-1(b)(2)(i) "The Government may use various price analysis techniques and procedures to ensure a fair and reasonable price.."

Examples of such techniques include: "Comparison of proposed prices received in response to the solicitation. Normally, **adequate price competition establishes a fair and reasonable price** (see 15.403-1(c)(1)(i))"

The below composite analysis is to demonstrate 1) there was adequate price competition; and 2) that Flexion's submission is fair and reasonable.

No in depth price analysis was conducted for vendor's not included in Phase 2

nor was their price a consideration in the decision to not include them Phase 2 of the evaluation process.

Majority of vendors quoted as required in the RFQ .

**Pricing Techniques:** The Price Analysis techniques of FAR 15.404-1(b)(2)(i), and (v) were used to verify that the overall price is fair and reasonable. Pricing submitted by the contractor was compared to the IGCE and proposed prices received.

The below analysis discusses the most significant facts and considerations that controlled the establishment of the award and accepted pricing. Negotiations were not held. The IGCE was priced according to similar professional services and based on market research and current level of effort for similar services currently or previously done within TTS.

## **Assessment & Market**

### **Research:**

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Labor rates were verified against the contractor's GSA schedule pricing as well as analyzed using the Independent Government Costs Estimate (IGCE). Utilizing the IGCE, there all ten (10) major labor categories in which rates were compared for base year pricing and ancillary out years. The below table(s) shows the results of that assessment:

*Table 2*

#### **Base Year**

(b) (4), (b) (3)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) (4), (b) (3)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Table 3

Option Year I

(b) (4), (b) (3)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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(b) (4), (b) (3)

[Redacted]

[Redacted]

Table 4

Option Year II

(b) (4), (b) (3)

[Redacted]

(b) (4), (b) (3)	

Table 5

Option Year III

(b) (4), (b) (3)	

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(b) (4), (b) (3)
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Table 6

## Option Year IV

(b) (4), (b) (3)	

As demonstrated in the above tables, there are variances in price amongst the labor categories compared to the IGCE, however Flexion's price is favorable in the majority of them. Flexion has offered a substantial discount across the board for all of its labor categories. On average throughout the entire performance period, Flexion has provided a consistent discount adding up to be upwards of 47% lower than the IGCE anticipated rate. It should also be noted that many of the proposed rates submitted by Flexion were senior personnel, which is in alignment with the Government's expectations. The rates proposed by Flexion have been determined to be fair and reasonable. In accepting the Contractor's fair and reasonable price, the Government's negotiation position was met in Flexion's initial price submission.

\*It should also be noted that this analysis accounted for an additional 3% yearly escalation for Option years. As well as the fact that the Government's IGCE was accurate in that it used current and up to date market data to estimate labor rates for the proposed categories.

## Conclusion

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The Government observed the pricing for all of the lower rated offerors to ensure Flexion's pricing was in alignment with the general market. Flexion ranked 6th out of all the submissions received for Phase 2 pricing (meaning it had the 6th best price). Flexion was not considered to be within the group of the highest priced offerors. It should also be noted that all of the vendors with better pricing than Flexion received a lower "Some Confidence" rating (see table 1 above). Flexion's superior rating and the Government's high confidence in the team and skills Flexion will bring to the requirement, are more than worth the additional price in comparison to any of the lower rated vendors. Furthermore, none of the equally rated vendors with higher pricing than Flexion, were believed to be worth the higher price.

There were three other vendors who received the same technical rating as Flexion (High Confidence). All submitted pricing in a competitive environment. Although the initial pricing is decided by the vendors themselves, the three other top ranked companies had the chance to provide additional discounts and it appears all three did. However, it also appears Flexion has provided the best price and best discount amongst the highest rated companies.

When comparing the pricing against all other submissions, Flexion's pricing is very competitive and within the mid range of prices submitted.

Pricing submitted by Flexion is determined fair and reasonable.

**Signature**

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Joseph  
Dorsey

**Attachment**

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[Google Sheet document comparing pricing](#)